

## High gas prices are a symptom of bad U.S. energy policy

By Anna Eshoo

October 20, 2005

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Five years ago, Vice President Dick Cheney set the tone for the administration's energy policy with the declaration that ``conservation may be a sign of personal virtue, but it is not a sufficient basis all by itself for sound, comprehensive energy policy."

Under the vice president's leadership and with the help of industry, the National Energy Policy Task Force assembled more than 100 recommendations during the administration's first four months in office. By the beginning of this year, Energy Secretary Samuel Bodman reported that 95 percent of the plan had been put into action. Even more was implemented when the president signed his energy bill into law in August.

But now that the administration's energy plan is in place, there's just one glitch: It isn't working.

Gasoline prices spiked in July and August, and the supply disruptions in September caused by hurricanes Katrina and Rita made a bad situation worse. But these price hikes are not an anomaly.

Although the U.S. Energy Information Administration predicts gasoline prices will decline from post-Katrina highs, they will remain 70 percent higher than a year ago.

Facing the ire of consumers, the administration and the Congressional Republican leadership encounter a dilemma: Admit their energy policy is a failure or find a scapegoat.

With the passage Oct. 7 of the Gasoline for America's Security (GAS) Act by a narrow two-vote margin, a familiar strategy was unveiled -- Republican leaders blamed the environment.

Their argument is that ``environmental regulations" have prevented refiners from developing the capacity needed to produce enough gasoline to meet consumer demand. Their proposed solution is to pare back environmental rules for the oil industry and open hundreds of millions of acres of federal lands, including national forests and wildlife refuges, to refinery development. This approach will severely damage our air, water and some of our most treasured lands, all without justification.

There is virtually no evidence that environmental regulations are impeding new refinery expansion or construction. The EPA reports that only one proposal to build a new refinery has been submitted in the past 29 years: a proposed refinery in Yuma, Ariz., that received approval within nine months.

On the other hand, there's plenty of evidence that the industry curtailed its own capacity to raise profits.

According to statistics gathered by the federal Energy Information Administration, the industry closed 30 refineries over the past 10 years, accounting for approximately 900,000 barrels of daily capacity.

Meanwhile, the Washington Post reports that refiners' revenues went up 255 percent between September 2004 and September 2005.

But if environmental regulations aren't the problem, then what should we do? Here are two initial steps.

We need to give federal and state governments the tools to punish fuel price gouging and market manipulation at all levels of the supply chain. If there's any lesson that California can teach the rest of the country after the state's 2000-2001 energy ``crisis," it's that we need a tough cop on the beat in order to protect consumers.

The second step we must take is to get serious about energy conservation and efficiency.

Five years ago, I co-sponsored several bills and amendments that would have raised fuel economy standards for cars and trucks. If just one of those proposals had been enacted, we would have more efficient vehicles rolling off the assembly line and onto the streets today.

Estimates prepared by the Union of Concerned Scientists at the time showed that we would be on the path toward achieving a 1 million to 3 million barrel-per-day reduction in projected oil consumption by the year 2015.

Automakers have fought fuel-economy standards at every step. Two of the big three U.S. automakers saw their sales plummet more than 20 percent in September, primarily because consumers are shunning once-popular gas-guzzling SUVs.

But back in 2001 the administration opposed legislation to raise fuel-economy standards, and when Rep. Sherwood Boehlert, R-N.Y., Rep. Ed Markey, D-Mass., and I attempted to offer another bipartisan amendment to raise fuel-economy standards just a few weeks ago, the Republican leadership wouldn't even allow a vote on it.

But perhaps there are signs of hope.

In a statement that comes close to a repudiation of his own energy policy, President Bush called for conservation. ``We can all pitch in by using -- by being better conservers of energy," he said. ``I mean, people just need to recognize that the storms have caused disruption and that if they're able to maybe not drive . . . on a trip that's not essential, that would be helpful."

I agree with the president. We all should conserve, but conservation should depend on more than the virtuous. It needs to be a matter of national policy, as well.

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